



2003 Annual Account Owner Survey Results

**Conducted by:
The Georgia Office of Treasury and Fiscal Services
200 Piedmont Avenue, Suite 1202-West
Atlanta, Georgia 30334**

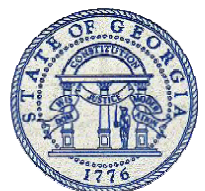


TABLE OF CONTENTS

A.	Executive Summary.....	1
B.	Introduction and General Information.....	2
C.	Residence.....	3
D.	Overall Program Satisfaction.....	3
E.	Account Information.....	4
F.	Method of Contribution.....	5
G.	Program Effectiveness.....	5
H.	Account Statements.....	6
I.	Comments/Suggestions.....	7
J.	Conclusion.....	7
K.	Addendum I.....	9
L.	Addendum II.....	10

A. Executive Summary

Overall, the 2003 Annual Account Owner Survey results were extremely positive. High satisfaction levels were reported by account owners in the Georgia Higher Education Savings Plan, Georgia's Section 529 college savings plan. The survey results substantiate the financial success the GHESP has experienced during the 2003 plan year. The positive survey results include but are not limited to the following:

- 38% survey response rate.
- 85% of the survey respondents are satisfied with the program overall.
- 66% of the respondents have been with the GHESP for three or more months.
- 45% of the survey respondents utilized the GHESP web site, in one form or another, to open their account.
- 47% of the respondents are engaging in consistent saving via an automatic contribution plan or payroll deduction.
- The seven program and service areas evaluated were overwhelmingly rated "very good" or "excellent."
- 66% of the survey respondents expressed an interest in receiving electronic statements.
- A large portion of the additional comments and suggestions received were related to enhanced on-line account maintenance; however, enhancements in this area were being implemented at the time of the survey. Therefore, many of the account maintenance suggestions offered by respondents were already underway.

B. Introduction and General Information:

As required by federal law under the Internal Revenue Code Section 529, college savings plans must be established and maintained by a state. The Georgia Higher Education Savings Plan (GHESP), Georgia's Section 529 college savings plan, is governed by a board of directors with the Director of the Georgia Office of Treasury and Fiscal Services serving as executive director to the board.

The GHESP conducted a customer satisfaction survey to assess the level of satisfaction among account owners and to address any program deficiencies reported. This report summarizes the results from the *2003 Annual Account Owner Survey* conducted from September 2, 2003 to November 3, 2003.

In an effort to evaluate the program, identify strengths and weaknesses, and to learn how we might improve the program and provide better service to our account owners, a random sample of 525 GHESP account owners was selected from the total account owners on file as of August 31, 2003. The survey instrument included a total of eleven (11) questions. The survey was purposely limited to one page (legal) as a way to increase the response level.

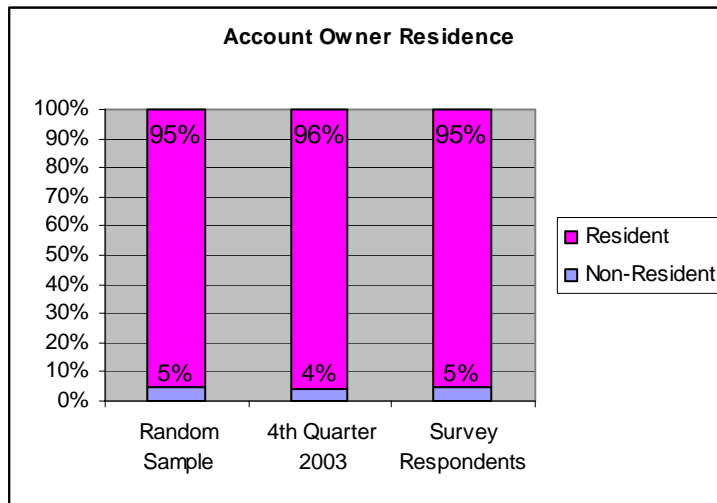
Account Owners in the sample were mailed a written questionnaire, a cover letter from the GHESP Director, Charles M. Penuel, describing the purpose of the survey, and a business reply envelope for returning the survey. Respondents evaluated program areas such as overall program satisfaction, account duration, contribution method(s), and vendor satisfaction. Addendum I includes the survey cover letter and Addendum II provides a sample survey.

In the hope of increasing the overall response rate of account owners surveyed, we provided several methods for returning the completed questionnaire. The return options included a business reply envelope, as well as a facsimile number and email address. Reminder post-cards were mailed to all 525 potential respondents approximately thirty days prior to the November 3rd survey deadline.

The overall response rate for the survey was 38%. The majority of respondents (197) used the business reply envelope, while the remaining respondents utilized facsimile and email to return their completed survey.

Although the customer satisfaction survey was anonymous, respondents were given the option of providing their name, as well as the beneficiary's name. Of the 203 completed surveys returned, 48% (97) of the respondents elected to provide their name and 52% (106) chose to remain anonymous. Those account owners who provided a name on the returned survey received a letter thanking them for their participation along with a GHESP picture frame magnet as small token of appreciation. The thank you letter also specifically addressed any comments and/or suggestions that were offered by the respondent under Question 11 of the survey.

C. Residence:



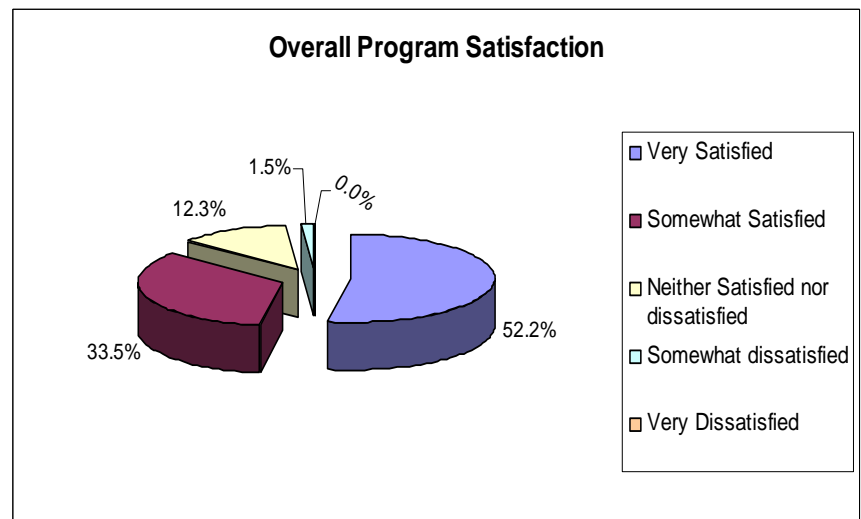
The random sample included 503 Georgia residents (95%) and 22 non-Georgia residents (5%). This sample was reflective of our overall account ownership. As of the 4th quarter 2003, 96% of our total account owners were Georgia residents and 4% were non-Georgia residents. As expected, the totals for resident and non-resident respondents were also reflective of our overall account ownership with 95% (192) of the respondents

indicating they are a Georgia resident and 5% (11) of the respondents indicating they are a non-resident.

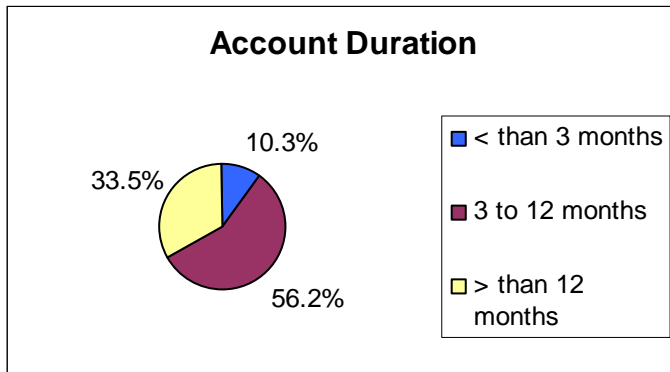
D. Overall Program Satisfaction:

The survey results reflect that the respondents are overwhelmingly (85.7%) “satisfied” with the program overall. Over half (52.2%) of the respondents indicated that they are “very satisfied” with the GHESP. Less than 2% of the respondents reported being dissatisfied to some degree.

A small percentage (12.3%) of respondents indicated that they were “neither satisfied nor dissatisfied.” Of those respondents indicating that they were “neither satisfied nor dissatisfied,” 32% indicated that their account had been open less than three months at the time of the survey. Another 48% of these respondents indicated that their account had been open for three to twelve months. Only 20% of those neither satisfied nor dissatisfied held an account that had been open for more than twelve months.



E. Account Information:

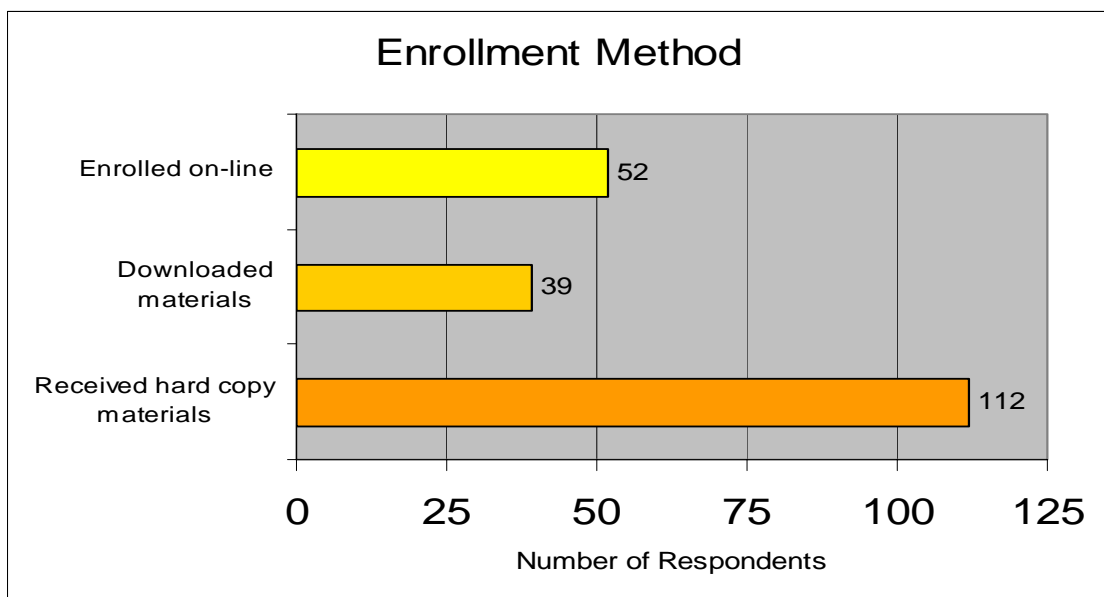


At the time the survey was conducted, the GHESP had been in operation for approximately twenty (20) months. 33.5% of the survey respondents indicated that their account had been open for more than twelve months, 56.2% indicated that their account had been open for three to twelve months, and 10.3% indicated that their account had been opened for less than three months. The majority of

the survey respondents (182) had been with the GHESP for one calendar quarter or more.

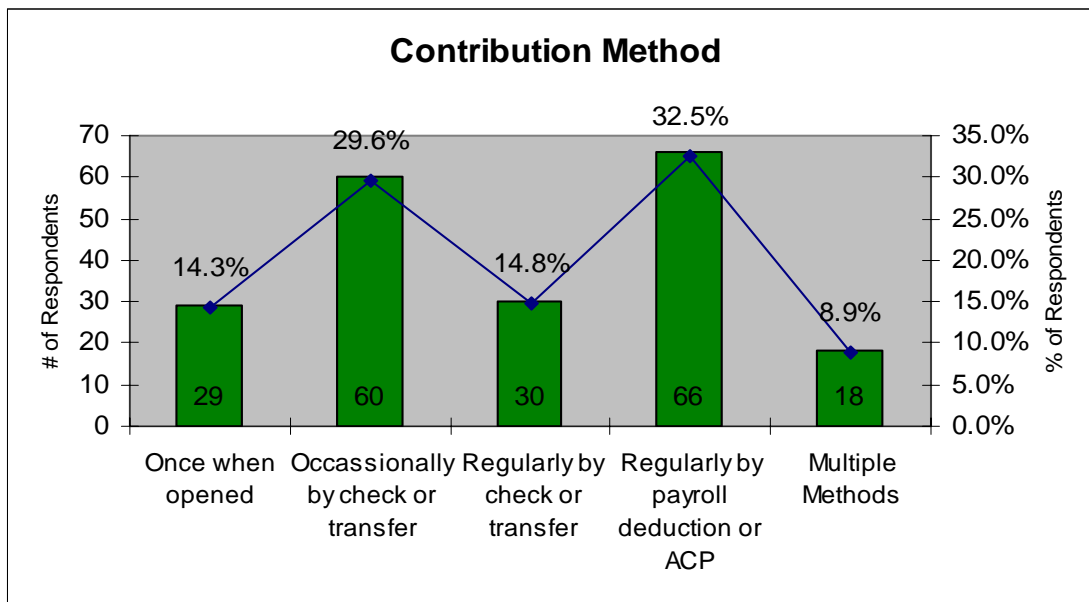
Over half of the survey respondents (55%) indicated that they opened their account via the traditional method (i.e. requesting an enrollment kit and submitting the hard copy application). 26% of the survey respondents opened their account via the on-line enrollment option offered on the GHESP web site. The remaining respondents (19%) used a combination of on-line and hard copy functions by utilizing the web site to download and print the enrollment application, and then submitting it via hard copy for processing.

Overall, 74% of the respondents elected to submit their account applications using paper. Paper submission totals reflected in the survey are approximately 20% higher than the on-line enrollment ratio detailed in the GHESP 4th Quarter 2003 Report. However, this utilization disparity is explained by the fact that on-line enrollment was not available until October 2002 (6 months after our original launch date). Therefore, the paper submissions were disproportionately higher during the first six months of operation.



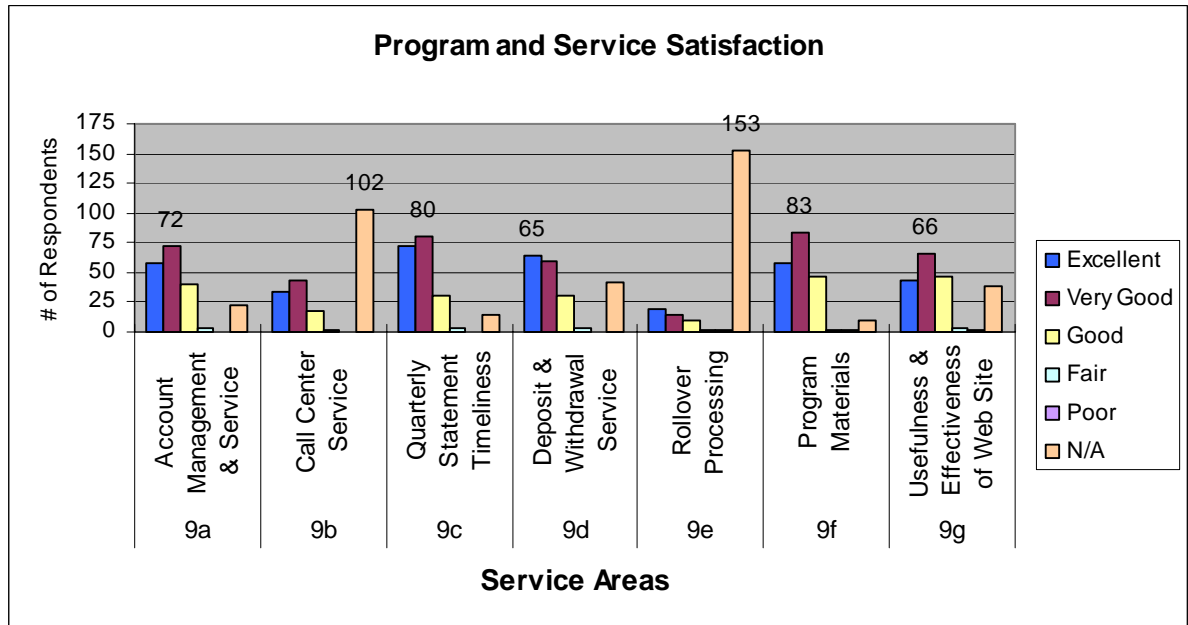
F. Method of Contribution:

As of December 31, 2003, 42% of all GHESP account owners contributed to their account(s) using an automatic contribution plan or payroll deduction. 32.5% of the survey respondents indicated that they were contributing to their account(s) regularly using payroll deduction or an automatic contribution plan via a checking or savings account draft. 47.3% of the survey respondents indicated that they were contributing regularly by check/transfer, payroll deduction or automatic contribution plan. This indicates that almost half of the survey respondents are engaging in consistent saving, which is one of the main objectives of the program.



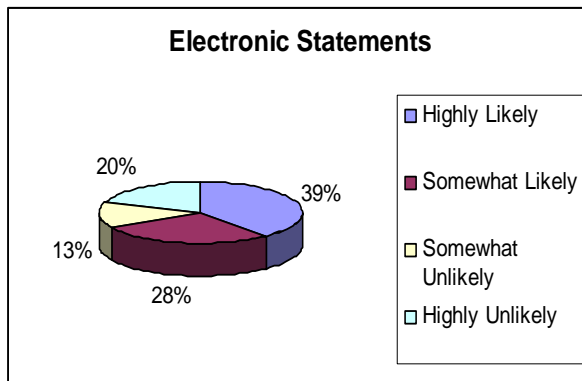
G. Program Effectiveness:

The survey focused on seven areas of program effectiveness. Each area gauged the respondent's satisfaction on six levels including a "not applicable" option for those survey respondents who had not utilized a particular service area. Overall, the respondents overwhelmingly rated the seven service areas "very good" or "excellent". The "fair" satisfaction level was selected, on average, less than 2% of the time. The "poor" satisfaction level was selected on four occasions in only three of the seven service areas (rollovers, program materials and web site). The survey results indicate that a large portion of our account owners have not utilized the call center services or requested a rollover to and/or from a qualified tuition program. The effectiveness results for the seven service areas support the overall respondent satisfaction level detailed on page 3.



Three of the seven service areas have a direct impact on the utilization rates for the call center: how accounts are managed and serviced, the timeliness of quarterly account statements, and how deposits and withdrawals are managed. The overwhelmingly positive responses to these three service areas support the low utilization of call center services. Accounts that are being managed and serviced properly (e.g. accurate and timely quarterly statements, and accurate deposits/withdrawals) directly correlates with the low number of account owners utilizing the call center services. In this case, a large number of respondents indicating “not applicable” for the call center service category supports the large number of respondents indicating that they are satisfied with how their account is serviced. The highest satisfaction level received for each service category is numerically noted above.

H. Account Statements:



The survey also attempted to gauge account owner interest for receiving electronic statements (both quarterly and annual statements) in lieu of traditional paper statements. 66% of the respondents indicated that they would be interested in receiving electronic statements; 38% were highly likely to receive their statements electronically and 28% indicated that they would be somewhat likely to receive their statements via e-mail. One-third of the respondents indicated that they prefer traditional paper statements over an electronic version.

I. Comments/Suggestions:

Out of the 203 survey respondents, 49 (24%) offered additional comments or suggestions regarding the program. The comments and suggestions are categorized as follows:

A.	Account Reporting & Management	11
B.	Web Site & On-line Account Maintenance	10
C.	Overall Pleased with the Program	7
D.	Microinvesting (UPromise & Baby Mint)	4
E.	Payroll Deduction/Automatic Contribution Plan	3
F.	Tax Benefits	3
G.	Recently Opened Account; No Additional Comments	3
H.	Investment Options	2
I.	Ability to Download into Quicken	2
J.	Other	2
K.	Performance	1
L.	Management Fees	1

The majority of the additional comments and suggestions offered by account owners were positive. With regard to category B, Web Site & On-line Account Maintenance, the comments primarily related to the enhancement of our existing on-line account functions. Immediately prior to the distribution of the *2003 Annual Account Owner Survey*, we launched our enhanced on-line account maintenance functions; therefore, account owners received and responded to the survey before we notified them in writing about the enhanced functionality of the web site. We are pleased to report that most of the account enhancements offered by account owners under Question 11 were being implemented with the launch of the redesigned web site. Overall, the narrative responses offered under Question 11 provide unique insight into customers' expectations. For that reason, we are hopeful that more account owners will utilize this question on future annual surveys.

J. Conclusion:

The GHESP takes customer satisfaction very seriously and is keenly aware of the importance of providing quality service. We recognize that account owner feedback and assessment of account owner satisfaction are instrumental to the success of the GHESP, Georgia's Section 529 college savings plan. The GHESP experienced excellent growth during the period covered by the survey, opening over 33,000 accounts with over \$127 million in savings. However, we realize that our continued success is dependent not only upon our efforts to increase enrollment, but perhaps more importantly, our success is dependent upon the quality of the services that we provide our account owners.

The overall experience and perceptions contained in this report are encouraging for the GHESP, revealing high levels of overall program satisfaction as well as positive perceptions among account owners of the product and the services provided by the GHESP and its plan

manager, TIAA-CREF. This survey and future annual survey results present a unique opportunity for us to identify issues of concern and problems that may threaten the on-going success of the program. However, it also identifies those areas where we are exceeding the expectations of our customers.

The GHESP is committed to offering a low-cost, easy to use product that encourages long-term, consistent saving for higher education expenses. We are also committed to providing exemplary customer service; therefore, we will give serious consideration to the comments and suggestions offered by account owners and will continue to conduct satisfaction surveys annually to determine how well we are meeting our account owners' needs and expectations.

K. Addendum I



Office of Treasury and Fiscal Services

*200 Piedmont Ave, Suite 1202, West Tower
Atlanta, Georgia 30334-5527*

W. Daniel Ebersole
Director

(404) 656-2168
Fax (404) 656-9048

September 2, 2003

Dear Current/Former Georgia Higher Education Savings Plan Account Owner:

The Georgia Higher Education Savings Plan (GHESP), administrator for Georgia's Section 529 college savings plan, is conducting an account owner survey in an effort to evaluate the program, identify strengths and weaknesses, and to learn how we might improve the program and provide better service to our account owners.

By completing the attached one-page survey, you will help us measure program awareness and effectiveness. Please take a few moments to complete this brief survey and return it to us by **November 3, 2003**. Listed below are the alternatives for returning the paper survey to the GHESP.

- By mail using the enclosed envelope (postage will be paid by the GHESP).
- By fax to (404) 656-9048.

If you would prefer to download the survey and return it by e-mail, please visit <http://www2.state.ga.us/otfs/accountownersurvey2003.doc> to download the form, and return your completed survey to GA529AnnualSurvey@otfs.state.ga.us.

If you prefer to receive an electronic copy forwarded to you by e-mail, please contact Deborah Smith at (404) 463-0000 to provide your e-mail address, or request your copy by e-mail at GA529AnnualSurvey@otfs.state.ga.us. Please note, both the downloadable file and the forwarded copy of the survey are Microsoft Word documents.

Thank you in advance for your willingness to participate in this survey. We are committed to offering the most attractive Section 529 college savings plan possible, and we believe your comments and suggestions will help us to achieve that goal.

Sincerely,

A handwritten signature in dark ink, appearing to read "Charles M. Penuel". The signature is fluid and cursive, with a large, sweeping "C" at the beginning.

Charles M. Penuel, Director
Georgia Higher Education Savings Plan

L. Addendum II

Georgia Higher Education Savings Plan 2003 Annual Account Owner Survey

Your Name: _____ Beneficiary: _____
(optional) (optional)

1. How did you first learn of the Georgia Higher Education Savings Plan (GHESP)? (check all that apply.)

- ☐TV advertising ☐TV news program ☐Radio advertising ☐Radio talk show ☐Employer
☐Print advertising ☐Newspaper article ☐Financial planner ☐Child's school/day care
☐Direct Mail ☐Internet ☐Word of mouth ☐Other _____

2. How long has your account(s) been open?

- ☐Less than 3 months ☐3 to 12 months ☐More than 12 months

3. Are you a Georgia resident? ☐Yes ☐No

4. Please tell us how you opened your account. (check one.)

- ☐Received an enrollment kit and mailed the enclosed application
☐Printed the enrollment forms from the web site and mailed the application in
☐Enrolled on-line using the web site

5. How often do you contribute to your account? (check all that apply.)

- ☐Once when opened ☐Regularly by check or transfer
☐Occasionally by check or transfer ☐Regularly by payroll deduction or an automatic contribution

6. How satisfied are you with the GHESP in general?

- ☐Very satisfied
☐Somewhat satisfied
☐Neither satisfied nor dissatisfied
☐Somewhat dissatisfied
☐Very dissatisfied

If dissatisfied, please detail the reason for your dissatisfaction. _____

7. In addition to your GHESP account(s), do you own a 529 college savings account in another state?

- ☐Yes ☐No If "yes," what state(s)? _____
(optional)

8. How frequently in the past year did you contact the toll-free customer service number?

- ☐Once ☐5 or more
☐2 - 4 ☐Not at all

9. How would you rate the effectiveness of the following? (check one.)

a. Managing and servicing your account(s)

- ☐Excellent ☐Very Good ☐Good ☐Fair ☐Poor ☐N/A

b. Service you received from the call center

- ☐Excellent ☐Very Good ☐Good ☐Fair ☐Poor ☐N/A

c. Timeliness of your quarterly account statements

☐Excellent ☐Very Good ☐Good ☐Fair ☐Poor ☐N/A

d. Service regarding account deposits and withdrawals

☐Excellent ☐Very Good ☐Good ☐Fair ☐Poor ☐N/A

e. Service regarding account rollover request

☐Excellent ☐Very Good ☐Good ☐Fair ☐Poor ☐N/A

f. Program materials (enrollment kit, disclosure booklet, marketing materials)

☐Excellent ☐Very Good ☐Good ☐Fair ☐Poor ☐N/A

g. Overall usefulness and effectiveness of web site

☐Excellent ☐Very Good ☐Good ☐Fair ☐Poor ☐N/A

10. If quarterly and annual statements were available by e-mail, how likely would you be to receive your statements by e-mail rather than traditional mail?

☐Highly likely ☐Somewhat likely ☐Somewhat unlikely ☐Highly unlikely

11. Please provide any other comments or suggestions to help us improve the program or provide better service.
